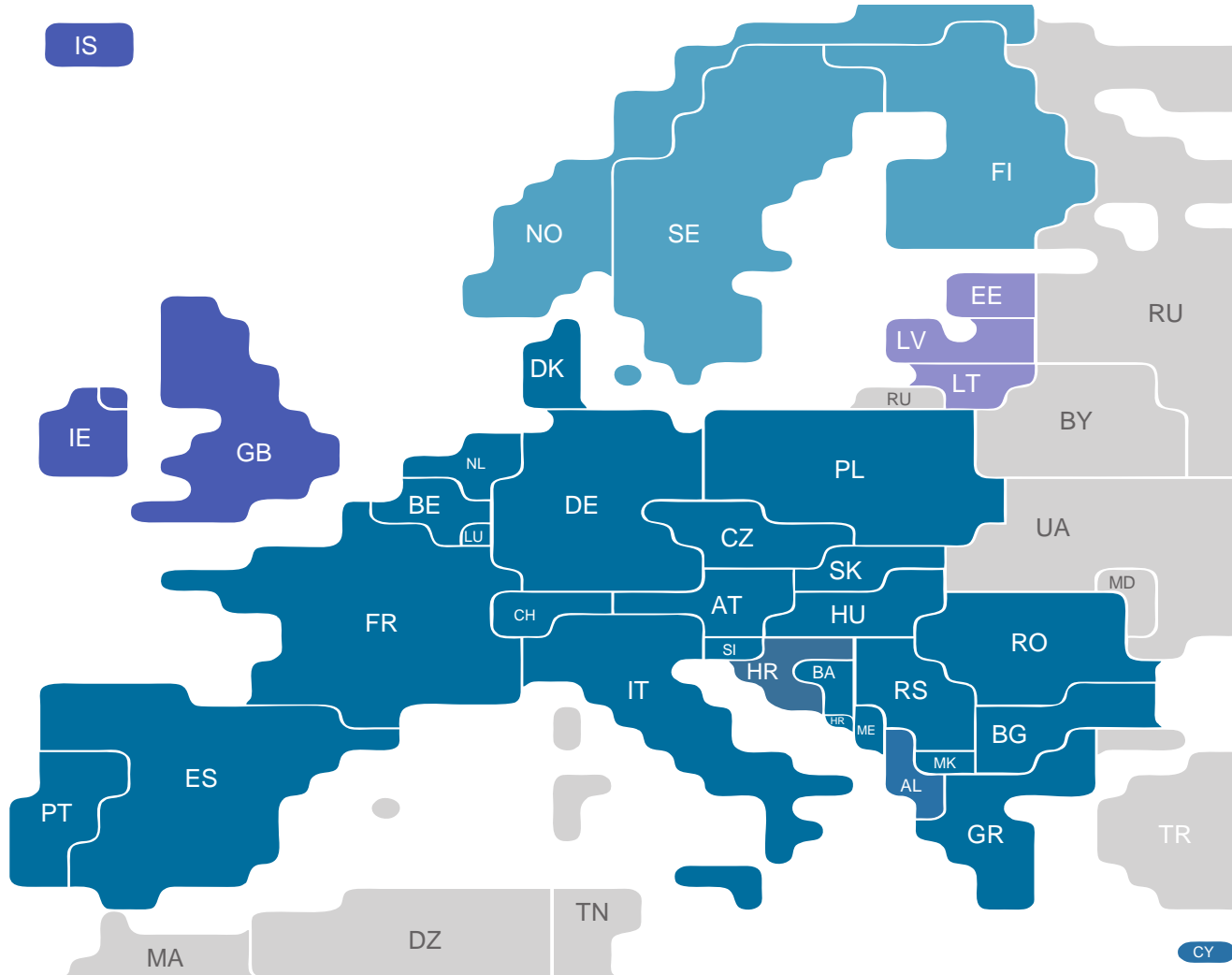


Challenges and chances for electricity market integration in SEE

**Damjan Medimorec (HOPS, Croatia),
ENTSO-E RG SEE Convenor**

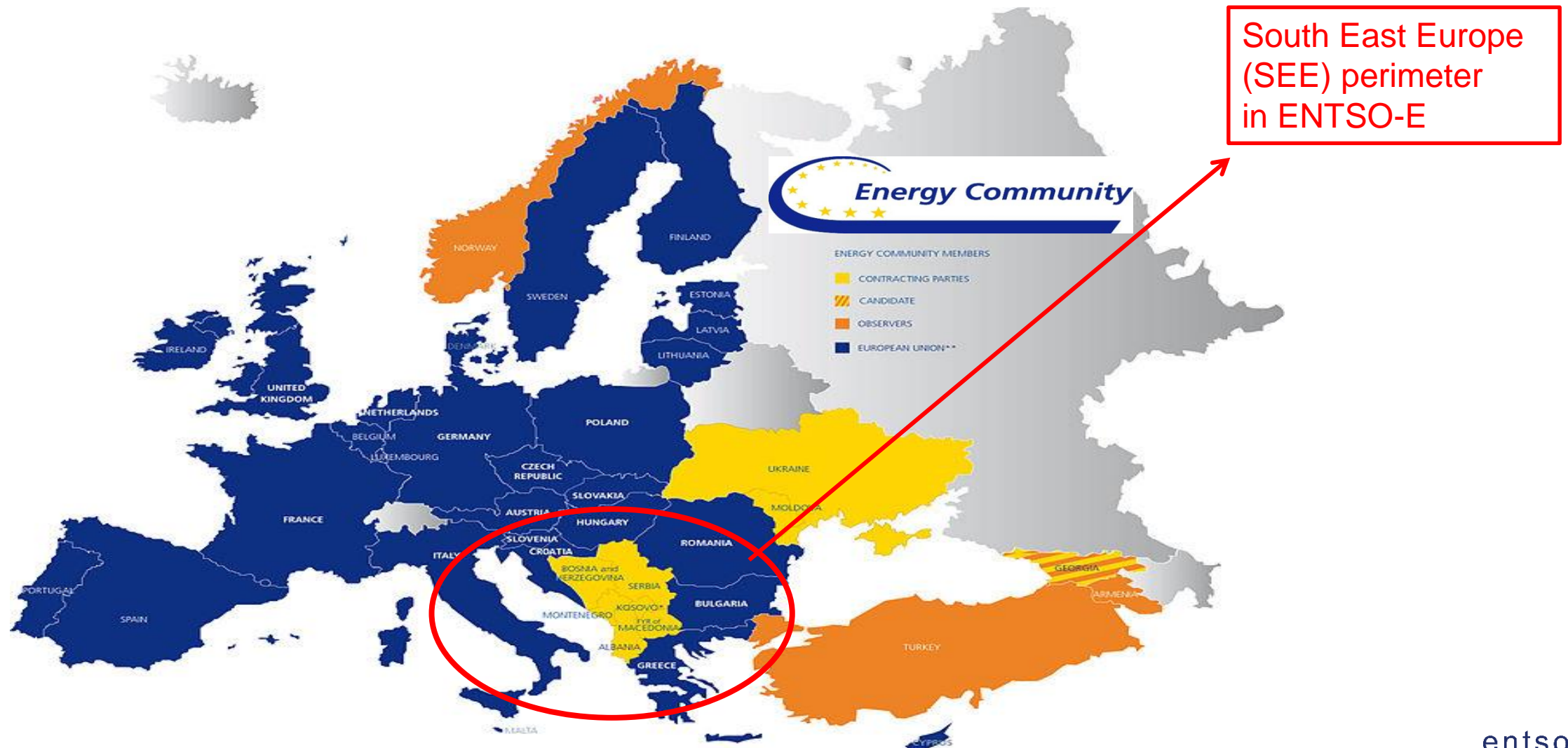
Energy Trading Central & South Eastern Europe
Budapest, 14th June 2018

ENTSO-E – pan-European TSOs Association



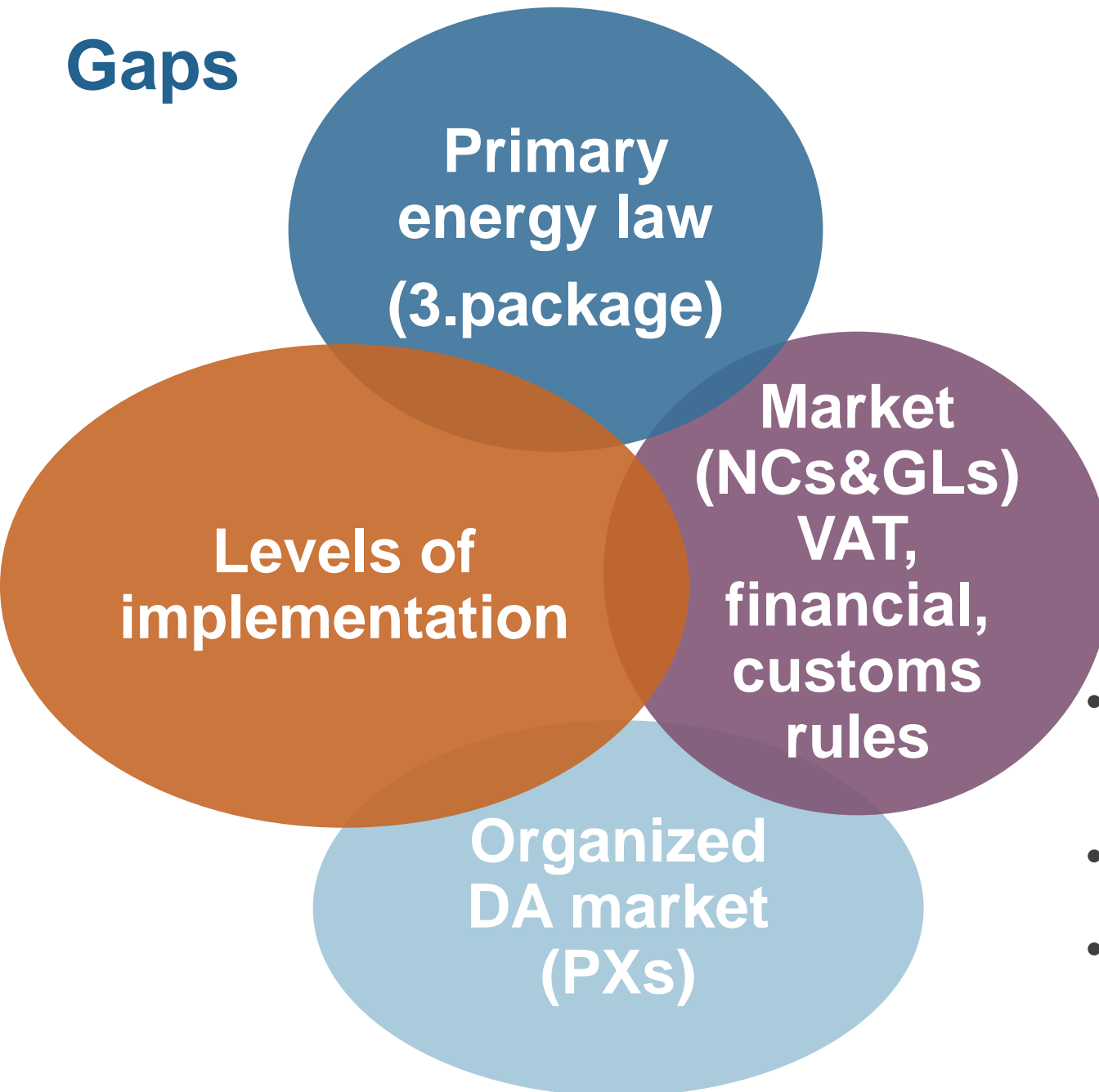
- 43 member TSOs from 36 countries
- 5 synchronous areas (represented by different colours on the figure left)
- Most of the ENTSO-E organisational elements (such as committees – SO, SD, Market, RDIC, LRG) are at association level, but there are several also at the regional levels

SEE in European Union and Energy Community (EnC)



* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

Gaps



SEE countries with different legal obligations (EU and non-EU)

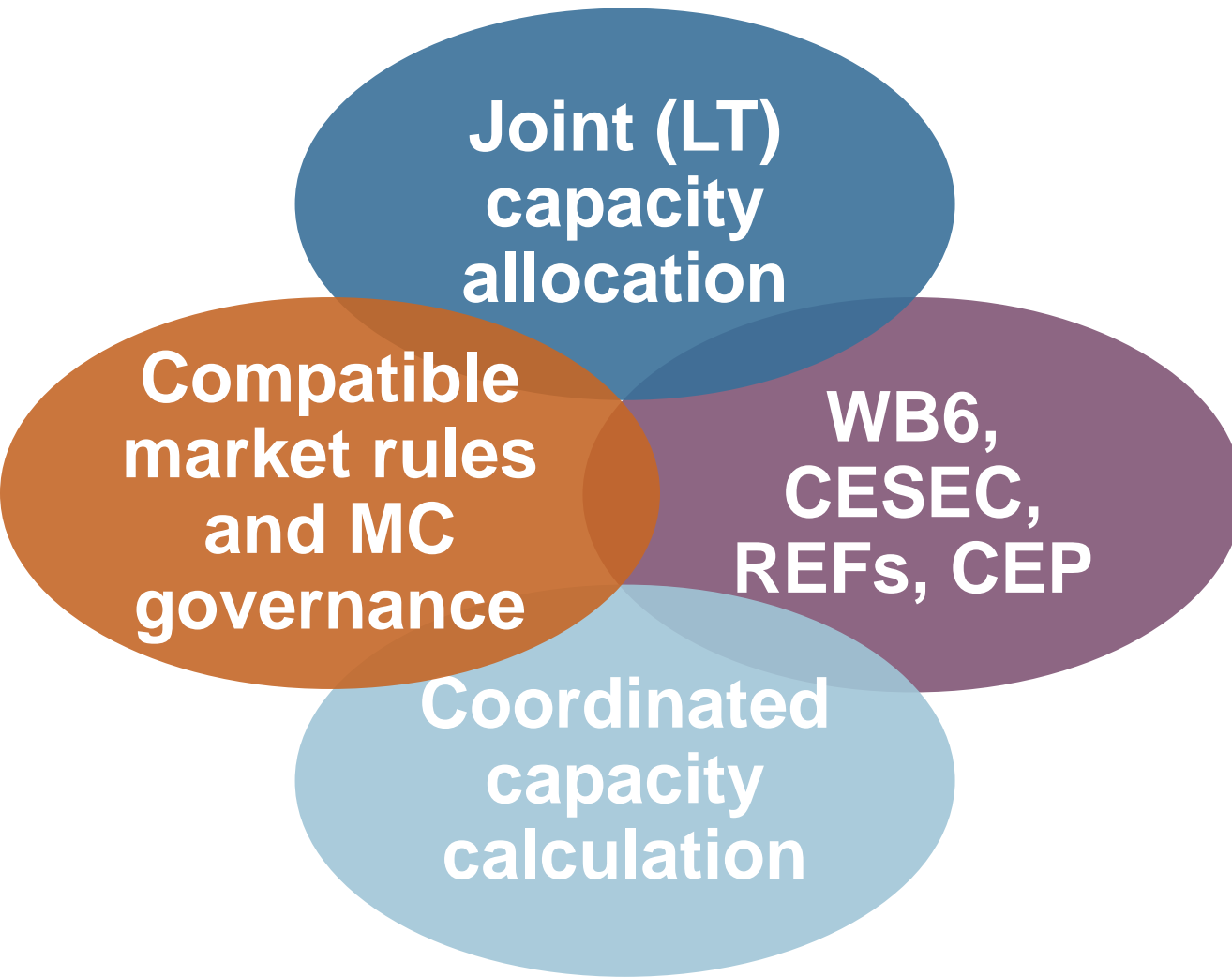
SEE countries with different levels of implementation (voluntary & binding)

SEE countries with different level of alignment of relevant rules & laws

SEE countries in different stages of market development

- Ready for DA market coupling with feasible neighbours
- Completing remaining rules
- Establishing an organized DA market

Regional (TSOs) cooperation – drivers and challenges for way forward



- **WB6 initiative** - EnC
- **CESEC-e (market, infrastructure, SoS)** – EC
- **Finalisation of CEP (Clean Energy Package)** – EU Council (MSs) & EC & EP
- **RGs and future REFs (Regional Energy Forum)** – ENTSO-E

- **Decentralized process of national/bilateral projects (with a close view on CACM)**
- **Contractual basis and operative governance (MRC model)**

- **Two auction offices provide services for (not yet all) SEE borders**

- **One of basic 5 RSC services (at least two RSCs likely to be involved)**

Network Codes and Guidelines Transposition in Energy Community

State of play

 Adopted by PHLG (in addition adoption needed in CPs)

 Not addressed yet by EnCS

 Drafts prepared by EnCS and currently being discussed with NRAs and TSOs

 Drafts under preparation by EncS (not yet shared with stakeholders)

3 CONNECTION NETWORK CODES

Requirements for
Generators

Demand connection

HVDC connections

3 MARKETS GUIDELINES

Capacity Allocation &
Congestion Management

Forward Capacity
Allocation Guidelines

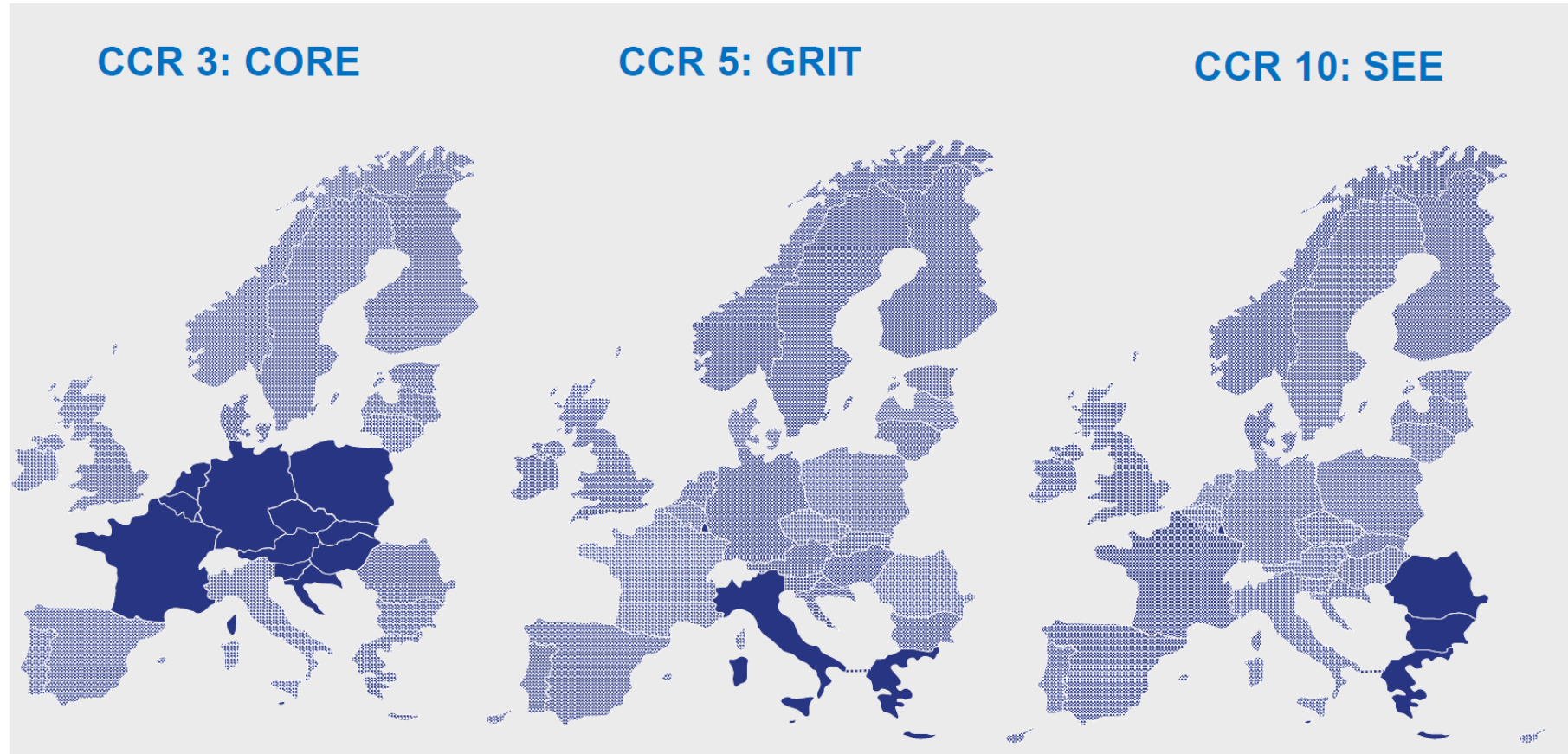
Balancing Guidelines

2 OPERATIONAL NC & GL

System Operation
Guideline

Network Code on
Electricity Emergency and
Restoration

Relevant EU Capacity Calculation Regions (CCRs)

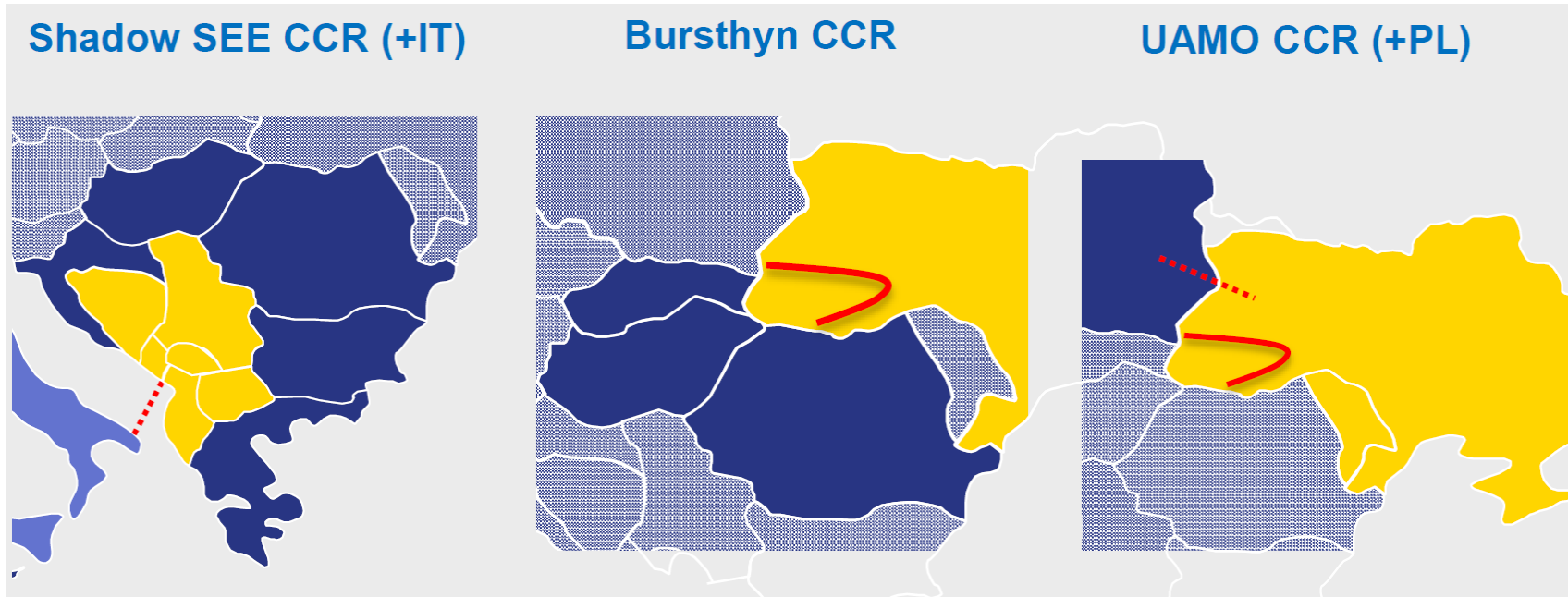


- ACER Decision on CCRs from 2016 was based on *All TSOs' proposal for CCRs* (from 2015) with accompanying *Explanatory document* (which Annex 1 included also non-EU borders)

- CCR introduced with CACM GL
- Many stipulations in CACM GL, but also FCA GI and SO GL require intensive and broad cooperation (mostly TSOs, but also NRAs and NEMOs) at CCR level
- Therefore CCRs becomes a focal point for TSOs cooperation

Figures - source: EnCS

EnCS proposals for CCRs in drafts of CACM&FCA for EnC



- Legal implementation of SEE CCR currently binding only for 3 EU TSOs
- Future „Shadow” SEE CCR should include EU SEE CCR, non-EU (WB6) and EU/non-EU bidding zone borders (with 3 additional EU TSOs)
- CCR Governance to be established ahead from TSOs

Envisaged future composition of CCRs including non-EU bidding zone borders (Annex 1 to the Explanatory document) :

- establishes the basis for the future implementation of the CACM Regulation by non-EU TSOs/non-EU regulatory authorities
- facilitates the early implementation by non-EU TSOs and the cooperation of the EU and non-EU NRAs
- involved TSOs (EU and non-EU) should work together to achieve the targets set in the CACM

* excluding bidding zone borders HU-RO and HU-HR

** bidding zone border IT-ME could be included iwhen the interconnection between Italy and Montenegro is commissioned

Source: EnCS

Progress towards market integration

Review of the Road Map from 2017 report
„Enhancing Market Coupling of SEE Region”

Tentative road map for DA coupling

Main Steps envisaged in 2017

- 
- Northern part of the region » 2-4 borders coupled

- 
- WB6 target » 6-8 borders coupled

- 
- Coupling of the remaining borders

Tentative road map for DA coupling comparison with notified DA MC projects (e.g. in WB6 and or CESECe)

SI-HR

HU/RO-RS

ME-RS; HR-HU

AL-KS; BG-RO

GR-IT; HR-RS

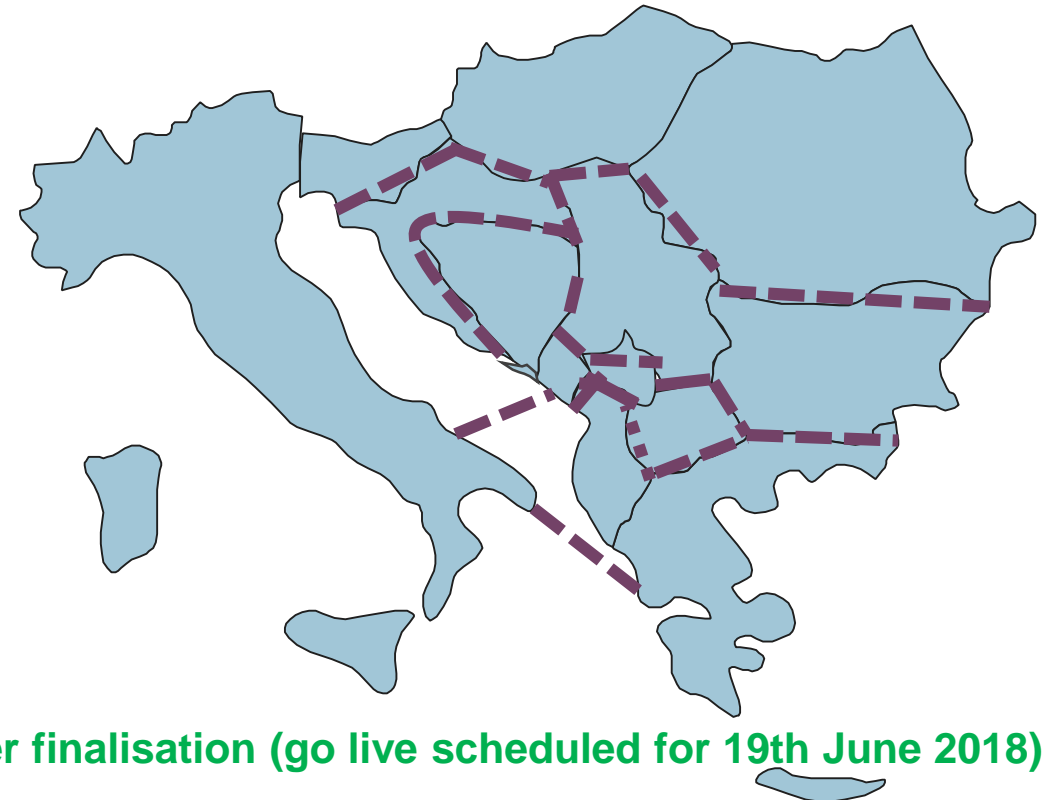
BG-FYROM; IT-ME

FYROM-RS; AL-ME

BG-GR; BiH-HR; BiH-RS

AL-FYROM; KS-RS;

FYROM-GR



Under finalisation (go live scheduled for 19th June 2018)

Notified & progress reported

Notified & obstacles occurred

Notified & no progress (yet)

No notification & no progress

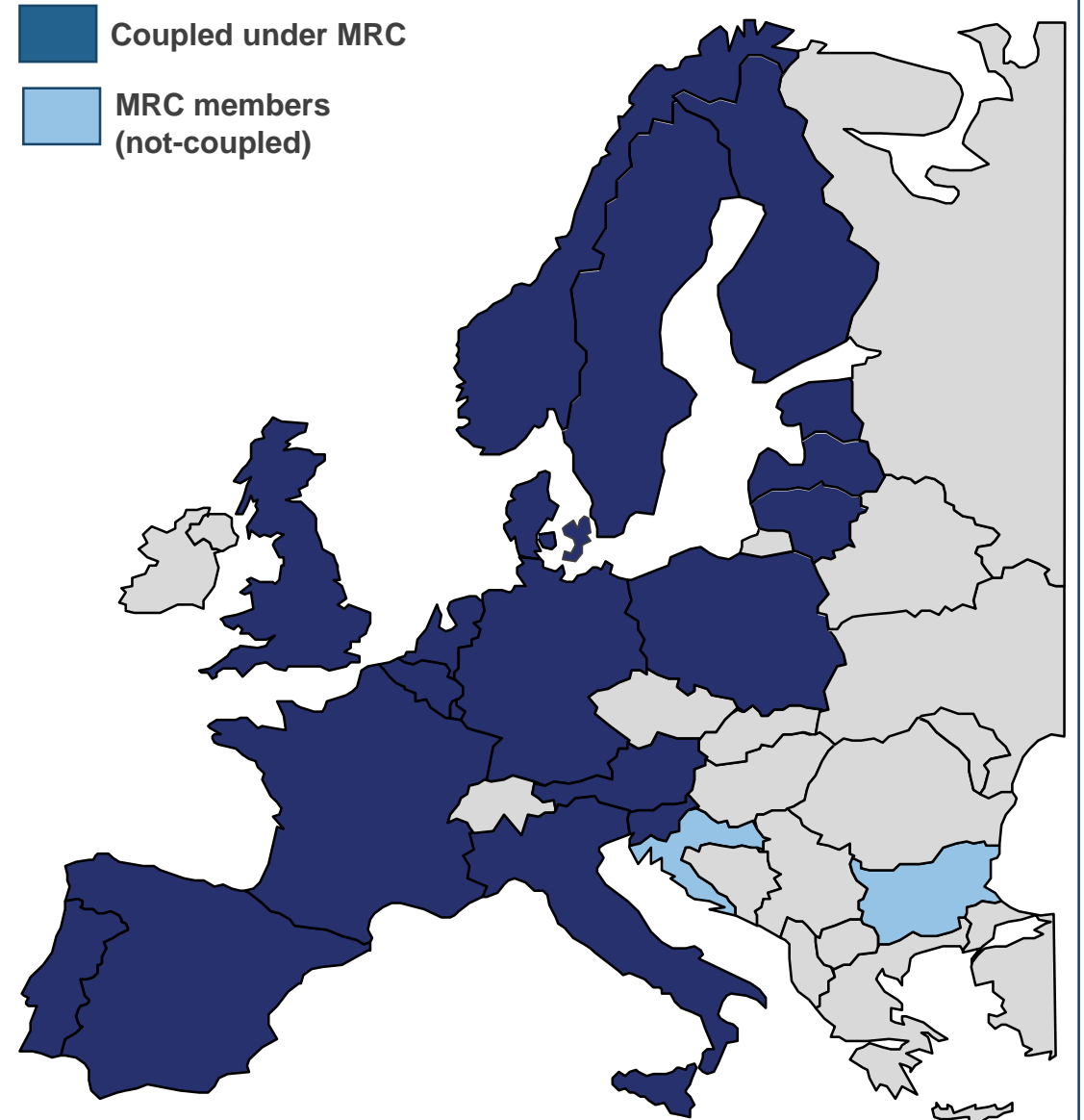
Day- Ahead

Multi Regional Coupling (MRC)

Scope: Operation and evolution of single Day Ahead Market Coupling (Single DA Solution)

TSOs: 50HERTZ, AFFARSVERKETSVENSKAKRAFTNAT, AMPRION, APG, AST, BRITNED, CREOS, ELERING, ELES, ELIA, ENERGINET.DK, FINGRID, LITGRID, NATIONAL GRID, PSE, REE, REN, RTE, STATNETT, TENNET B.V, TENNET GMBH, TERNA & TRANSNET

NEMOs (PXs): BSP, CROPEX, EPEX, GME, IBEX, Nordpool, OMIE & TGE



MRC Extension Project underway at the edge of SEE: Coupling of the HR & SI markets



THANK YOU FOR YOUR ATTENTION

The logo for entsoe, featuring the word "entsoe" in a white, lowercase, sans-serif font. The letter "e" at the end is stylized with a blue circular graphic element behind it. The logo is centered on a dark blue background with a pattern of golden-yellow stars, similar to the European Union flag.

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